

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:866
ANSWERED ON:04.03.2008
EXPORT PROMOTION CAPITAL GOODS SCHEME
Singh Shri Suraj;Suman Shri Ramji Lal

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether the Government had launched the Export Promotion Capital Goods Scheme some years back to promote exports;
- (b) if so, whether it is mandatory for the exporters to export goods under this scheme;
- (c) if so, the details thereof;
- (d) if so, whether several exporters are not making requisite exports inspite of benefitting by the said scheme; and
- (e) if so, the total number of such defaulters during each of the last three years alongwith the action taken by the Government against these defaulters during the above said period?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH)

- (a) The scheme was introduced in the Import and Export Policy 1990-93 and is in operation since 1.4.1990.
- (b) & (c): Yes, Sir. The SSI Units and Agro Units are required to export goods equivalent to 6 times of duty saved amount and others equivalent to 8 times of duty saved amount within a specified period of 8 to 12 years from the Authorization Issue-date.
- (d) & (e) The total number of authorization (licenses) issued and number of exporters who defaulted in making requisite exports within the timeframe granted for the purpose during 2005,06, 2006-07 and 2007-08 are as under:

Year	Authorizations (licenses) issued during the period	Licenses defaulting in E.O. fulfillment (pertaining to earlier years)
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2005-06	16387	139
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2006-07	21226	113
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2007-08	14361	93
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(Upto
31.12.2007)

The Authorizations are issued on furnishing of Bank Guarantee/Letter of Undertaking, towards duty saved amount, depending upon the status of the exporters at the time of import, to safeguard the interest of Government. In case of default, the Bank Guarantee executed is invoked to recover the duty saved amount.

Besides, the defaulters are further proceeded against under the relevant provisions of Foreign Trade (Development & Regulation) Act, 1992 for recovery of amount towards balance of custom duty saved, applicable interest thereon from the date of first import till the date of final payment and fiscal penalty for violation of the terms and conditions of the Authorization (license).